



ARNOLD SCHWARZENEGGER, GOVERNOR

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March 4, 2008

Mr. Mark Taylor, Chief
Victorville Police Department
14200 Armagosa Road
Victorville, CA 92392

Dear Mr. Taylor:

Final Audit Report: City of Victorville Police Department—Avoid the 25 Grant Agreement AL0517

Enclosed is the final audit report on the City of Victorville Police Department's (City) Avoid the 25 Grant AL0517 for the period October 1, 2004 through December 31, 2006. The audit was performed under an interagency agreement between the Department of Finance, Office of State Audits and Evaluations (Finance), and the Office of Traffic Safety. Our audit included a review of grant revenue and expenditures, internal control, and compliance with grant contract provisions.

Except as noted in the *Finding and Recommendation* section of this report, we found that the City complied with the fiscal requirements of its contract, and that its revenue and expenditures were fairly stated. The finding pertains to an instance of noncompliance. The City did not respond to the report.

In accordance with Finance's policy of increased transparency, this report will be placed on our website.

We appreciate the City's assistance and cooperation with our audit. If you have any questions regarding this report, please contact Kim Tarvin, Manager, or Rich Hebert, Supervisor, at (916) 322-2985.

Sincerely,

David Botelho, Chief
Office of State Audits and Evaluations

Enclosure

cc: Mr. William H. Terrell, Assistant Director of Administration, Office of Traffic Safety
Sergeant John Mattke, Victorville Police Department

GRANT AUDIT

City of Victorville Police Department
Avoid the 25
Grant Agreement AL0517

For the Period October 1, 2004
through December 31, 2006

Prepared By:
Office of State Audits and Evaluations
Department of Finance

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The Department of Finance, Office of State Audits and Evaluations, performed this grant audit under an interagency agreement with the Office of Traffic Safety (OTS). The purpose of the audit was to determine whether the City of Victorville Police Department (City) complied with the OTS grant agreement AL0517.

The audit objectives were as follows:

- To determine whether the City expended federal funds in accordance with the terms of the grant agreement and those provisions of law or regulations that could have a material effect on the financial statements or the grant.
- To determine whether the City's internal control allows for the accurate and timely development of accounting data needed to produce the *Statement of Revenue and Expenditures*.
- To verify the City's compliance with applicable laws, regulations, and contract requirements.
- To provide, as necessary, recommendations regarding the eligibility of funding and improving internal control.

This report is intended solely for the information and use of OTS and City management and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.

STAFF:

Kimberly A. Tarvin, CPA
Manager

Rich Hebert
Supervisor

Kweku Atta-Mensah



INDEPENDENT AUDITOR'S REPORT

Mr. Mark Taylor, Chief
Victorville Police Department
14200 Armagosa Road
Victorville, CA 92392

We have audited the accompanying *Statement of Revenue and Expenditures* (Statement) of the City of Victorville Police Department (City), in accordance with the Office of Traffic Safety's (OTS) grant agreement AL0517 for the period October 1, 2004 through December 31, 2006. The Statement was prepared from the City's records and is the responsibility of City management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to provide reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared, as described in Note 3, for the purpose of determining the City's fiscal compliance with the requirements of grant agreement AL0517. The Statement is not intended to be a presentation of the City's total revenue and expenditures.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and expenditures for grant agreement AL0517 for the period October 1, 2004 through December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Statement is free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Generally Accepted Government Auditing Standards*, which are described in Findings 1 and 2 in the Findings and Recommendations section of this report.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Statement that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of OTS and City management and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.



David Botelho, CPA
Chief, Office of State Audits and Evaluations
(916) 322-2985

November 7, 2007

SSTATEMENT OF **R**EVENUE
AND **E**XPENDITURES

City of Victorville Police Department
Avoid the 25
Grant Agreement AL0517
For the Period October 1, 2004 through December 31, 2006

<u>Description</u>	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
State Grant	\$ 238,216	\$ 238,216	\$ 0
Expenditures:			
Travel	1,472	1,472	0
Contractual Services	206,735	206,735	0
Other Direct Costs	23,807	23,807	0
Indirect Costs	<u>6,202</u>	<u>6,202</u>	<u>0</u>
Total Expenditures	<u>238,216</u>	<u>238,216</u>	<u>0</u>
Excess of Revenue over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

**City of Victorville Police Department
Avoid the 25
Grant Agreement AL0517
For the Period October 1, 2004 through December 31, 2006**

NOTE 1 Definition of the Reporting Entity

The City of Victorville (City), incorporated in 1962, is included in the County of San Bernardino and governed by an elected City Council, exercising the powers specified by Section 6500, et seq. of the Government Code and the laws of California governing General Law Cities. The City's reporting entity includes all significant organizations and departments over which the City Council exercises oversight and budgeting responsibilities. The City's Police Department has general responsibility for this grant project.

NOTE 2 Program Information

The Business, Transportation, and Housing Agency's Office of Traffic Safety (OTS) is charged with the responsibility of obtaining and distributing federal funds in an effort to carry out the direction of the National Highway Safety Act. The federal funds are designed to mitigate traffic safety problems as defined by the Highway Safety Plan. Currently, there are eight program priority areas earmarked for grant funding: Alcohol and Other Drugs, Occupant Protection, Pedestrian and Bicycle Safety, Emergency Medical Services, Traffic Records, Roadway Safety, Motorcycle Safety, and Police Traffic Services.

NOTE 3 Significant Accounting Policies

A. Basis of Presentation

We prepared the *Statement of Revenue and Expenditures* (Statement) from the City's accounts and financial transactions. The Statement summarizes the City's revenue and expenditures pertaining to grant agreement AL0517 for the period October 1, 2004 through December 31, 2006. This statement is not intended to represent all of the City's revenue and expenditures.

B. Basis of Accounting

The City's accounts are maintained on the modified accrual basis and in accordance with the principles of fund accounting. Under the modified accrual basis, revenue is recorded as it becomes measurable and available, and expenditures are recorded at the time the liabilities are incurred.

NOTE 4 Description of Grant Agreement AL0517

The OTS awarded the City a \$402,000 grant for the period October 1, 2004 through December 31, 2006 to provide a countywide focus on interdicting impaired drivers. Specifically, the City oversees five regional task forces that implement saturation patrols, DUI/Drivers License checkpoints, warrant servicing operations, collaboration with community-based organizations, education, and media exposure. The goal of these activities is to reduce the number and severity of under the influence or drowsy driving related collisions, reduce the number of victims of such collisions, increase DUI arrests, and educate the public on the choices and tragic consequences of driving under the influence of alcohol, other drugs, and/or drowsiness.

FINDINGS AND RECOMMENDATIONS

During the audit of the Victorville Police Department (City) grant agreement AL0517, the following instances of noncompliance with grant agreement requirements were identified.

FINDING 1 Grant Objectives Not Met

Condition: The objectives of the grant agreement were not met. Of the 7 goals required by the grant agreement, the City did not meet 4 goals and the achievement of 2 goals could not be evaluated because the Statewide Information Tracking System was unable to provide the required statistical information. Failure to comply with any term or condition of the contract agreement may result in withholding or disallowing grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

Criteria: Grant Agreement AL0517, Schedule A describes 7 project goals that were to be accomplished by the City of Victorville Police Department by the end of the grant period.

Recommendation: The City should develop a mechanism for obtaining, tracking, and evaluating the required information to demonstrate the achievement of the goals in the grant agreement. For the unmet goals, the City should develop an action plan to meet the project goals as required by the grant agreement.

FINDING 2 Late Submittal of Invoices and Quarterly Performance Reports

Condition: The City did not comply with the reporting requirements for the Project Claim Invoices, Quarterly Performance Reports (QPR), or Final Report as follows:

- Of the 9 Project Claim Invoices submitted, 4 were submitted between 30 and 180 days late.
- Of the 9 required QPRs, 5 were never submitted and 2 were submitted 58 and 86 days late.
- The Final Report was submitted 56 days late.

Failure to comply with any term or condition of the contract agreement may result in withholding or disallowing grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

Criteria: OTS Grant Program Manual Volume II, Chapter 7, Section 7.7 states that invoices are due no later than 30 days after the end of each quarter or partial quarter that the grant is active.

OTS Grant Program Manual Volume II, Chapter 7, Section 7.3 states that one copy of the QPR must be provided to OTS no later than 30 days after the end of each quarter or partial quarter that the grant is active.

OTS Grant Program Manual Volume II, Chapter 7, Section 7.5 states that one copy of the Final Report of grant accomplishments must be submitted to OTS no later than 60 days following the termination date of the grant.

Recommendation: The City should implement procedures to ensure that the Project Claim Invoices, QPRs, and Final Report are submitted within due dates established in the OTS Grant Program Manual.

DOF Audit Details and Review

GRANT #	AUDIT #	AGENCY	YEAR AUDIT CONDUCTED	AUDIT STATUS	DATE FINAL REPORT	DATE CLOSEOUT LETTER MAILED	AUDIT RESOLUTION DATE
AL0517	1	Victorville	2007	Audit Closed	3/4/2008		3/4/2008

ITEM #	DATE	FINDINGS	RESPONSE	FINDINGS RESOLUTION DATE
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1	3/4/2008	FINDING 1 - Grant objectives not met	No response submitted; DOF's recommendation to develop a mechanism for obtaining, tracking and evaluating the required information to demonstrate the achievement of the goals in the grant was noted; grantee will be addres to listing of grantees with potential audit findings	3/4/2008
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2	3/4/2008	FINDING 2 - Late Submittal of Invoices/QPRs	No response submitted; DOF's recommendation to implement procedures to ensure that claims, QPRs and Final Report are submitted within due dates established was noted; grantee will be addres to listing of grantees with potential audit findings	3/4/2008
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